

**§§ 1753.69—1753.75 [Reserved]****Subpart I—Minor Construction**

SOURCE: 55 FR 3573, Feb. 2, 1990, unless otherwise noted. Redesignated at 55 FR 39397, Sept. 27, 1990.

**§ 1753.76 General.**

(a) This subpart implements and explains the provisions of the Loan Documents (as defined in 7 part CFR 1758) setting forth the requirements and procedures to be followed by borrowers for minor construction of telecommunications facilities using RUS loan funds. Terms used in this subpart are defined in § 1753.2.

(b) [Reserved]

(Approved by the Office of Management and Budget under control number 0572-0062)

**§ 1753.77 Methods of minor construction.**

Minor construction may be performed by contract using RUS Contract Form 773, "Miscellaneous Construction Work and Maintenance Services", or by work order construction.

**§ 1753.78 Construction by contract.**

(a) RUS Form 773 shall be used for minor construction by contract. Compensation may be based upon unit prices, hourly rates, or another basis agreed to in advance by the borrower and the contractor. A single work project may require more than one contractor.

(b) The borrower shall prepare the contract form and attach any diagrams, sketches and tabulations necessary to specify clearly the work to be performed and who shall provide which materials. Neither the selection of the contractor nor the contract requires RUS approval.

(c) Borrowers are urged to obtain quotations from several contractors before entering into a contract to be assured of obtaining the lowest cost. The borrower must ensure that the contractor selected meets all Federal and State licensing and bonding requirements, and that the contractor maintains the insurance coverage required by the contract for the duration of the work. (See 7 part CFR 1788)

(d) Upon completion and final inspection of the construction the borrower shall obtain from the Contractor a final invoice and an executed copy of RUS Form 743, Certificate of Contractor and Indemnity Agreement.

(e) RUS Contract Form 773 may also be used to contract for the maintenance and repair of telephone equipment and facilities. Generally, RUS will not finance maintenance and repair contracts.

[55 FR 3573, Feb. 2, 1990. Redesignated at 55 FR 39397, Sept. 27, 1990, and amended at 59 FR 43718, Aug. 25, 1994]

**§ 1753.79 Construction by force account.**

The borrower shall require that:

(a) Minor construction by the force account method be supervised by a competent foreman. The work shall be performed in accordance with all regulatory and safety codes.

(b) Daily time and material reports, referenced by the work project number, shall be kept to record labor and materials used as construction is performed.

(c) The construction foreman shall maintain a tabulation of all construction units installed.

**§ 1753.80 Minor construction procedure.**

(a) If the borrower performs minor construction financed with loan funds, the borrower's regular work order procedure shall be used to administer construction activities that may be performed entirely by a contractor under Form 773 contract, by work order, or jointly by work order and one or more contractors under Form 773 contracts.

(b) RUS financing under Form 773 contracts is limited in any twelve month period to the following amounts for the following discrete categories of minor construction. A borrower could, for example, receive financing of Form 773 contracts in a twelve month period in amounts up to \$400,000 of central office equipment and \$200,000 of special equipment and \$200,000 of buildings. The date of the Form 773 contract is the date the Form 773 contract is executed.

(1) For outside plant construction, the limit is \$400,000 or ten per cent